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**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

In re:

PHI, Inc., *et al.*,¹

Debtors.

§ Chapter 11
§
§ Case No. 19-30923-hdh11
§
§ (Jointly Administered)

**STIPULATION AND PROPOSED AGREED ORDER
AMENDING CASH COLLATERAL ORDER**

This Stipulation and Agreed Order (the “Stipulation and Agreed Order”) is entered into this 21st day of June, 2019 by and among the above-captioned debtors (the “Debtors”), Blue Torch Finance LLC (“Blue Torch”), Thirty Two, L.L.C. (“Thirty Two”), the official committee of unsecured creditors (the “Creditors’ Committee”), and the official committee of equity security holders (the “Equity Committee,” and, together with the Debtors, Blue Torch, Thirty

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: PHI, Inc. (5707), PHI Air Medical, L.L.C. (4705), AM Equity Holdings, L.L.C. (0730), PHI Tech Services, Inc. (5089) and PHI Helipass, L.L.C. (4187). The corporate headquarters and the mailing address for the Debtors listed above is 2001 SE Evangeline Thruway, Lafayette, LA 70508.

Two and the Creditors' Committee, the "Parties") in order to amend this Court's *Interim Order Authorizing Use of Cash Collateral and Granting Related Relief* [Docket No. 481] (the "Cash Collateral Order").

RECITALS

A. On May 8, 2019, the Debtors filed a motion [Docket No. 418] (the "Cash Collateral Motion") for the entry of interim and final orders authorizing the Debtors to use cash collateral and granting related relief. On May 16, 2019, the Court entered the Cash Collateral Order.

B. The final hearing (the "Final Hearing") to consider entry of an order granting the relief requested in the Cash Collateral Motion is scheduled for June 25, 2019. The Parties desire to adjourn the Final Hearing until July 11, 2019 at 9:00 a.m. (CDT), and to amend the Cash Collateral Order to permit the Debtors to continue operating under the terms of the Cash Collateral Order until the Final Hearing.

C. On June 5, 2019, certain of the Parties filed the *Stipulation Regarding Matters to be Resolved Pursuant to Bankruptcy Rule 9019* [Docket No. 624] attaching a term sheet (the "Term Sheet") as Exhibit A thereto. Certain contested matters were resolved by the parties pursuant to the terms of the Term Sheet. Among other things, the Term Sheet provides that the Challenge Deadline (as defined in the Cash Collateral Order) in connection with the Debtors' stipulations related to Thirty Two will be tolled for the Creditors' Committee only.

D. The Parties each agree to the terms of this Stipulation and Agreed Order.

E. The Court finds that (i) it has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and (ii) this is a core proceeding pursuant 28 U.S.C. § 157(b)(2).

STIPULATION AND AGREED ORDER

NOW, THEREFORE STIPULATED AND AGREED AS FOLLOWS:

1. The Final Hearing is adjourned to **July 11, 2019 at 9:00 a.m. (CDT)**.

2. The Objection Deadline set forth in Paragraph 19 of the Cash Collateral Order is hereby extended until **July 3, 2019 at 4:00 p.m. (CDT)**.

3. Paragraph 2 of the Cash Collateral Order is deleted in its entirety and replaced by the following:

Authority to Use Cash Collateral. Subject to the terms of this Order, the Debtors are immediately authorized to use Cash Collateral up to an aggregate amount of \$42 million from the date of entry of this Order through and including the earlier of (i) July 15, 2019 and (ii) the date that is 14 days after the Termination Date (as defined in paragraph 10), unless further extended or otherwise ordered by the Court, for (a) general corporate purposes, (b) capital expenditures, (c) payment of costs of administration of these chapter 11 cases, and (d) payment of the costs and expenses of the Prepetition Working Capital Secured Lender and Blue Torch in connection with these chapter 11 cases, in each case to the extent provided under this Order.

4. The Challenge Deadline set forth in Paragraph 9 of the Cash Collateral Order is hereby tolled with respect to the Creditors' Committee through (i) as to the Prepetition Working Capital Secured Lender (as defined in the Cash Collateral Order), the earlier of: (a) the date that the Term Sheet is terminated; and (b) the date that the Transaction (as defined in the Term Sheet) is consummated; and (ii) as to Blue Torch and the Aircraft Lenders (as defined in the Cash Collateral Order), July 18, 2019. In all other respects, Paragraph 9 of the Cash Collateral Order shall remain unchanged.

5. Except as set forth in this Stipulation and Agreed Order, the terms of the Cash Collateral Order shall remain in full force and effect.

6. This Stipulation and Agreed Order shall not be stayed under Rule 6004(g) of the Federal Rules of Bankruptcy Procedures, but instead shall be effective immediately.

7. This Stipulation and Agreed Order may be executed in one or more counterparts, by e-mail or otherwise, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document.

8. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Stipulation and Agreed Order.

IT IS SO ORDERED

[Signature Pages Follow]

STIPULATED AND AGREED TO BY:

Dated: June 21, 2019
Dallas, Texas

Dated: June 21, 2019
Dallas, Texas

DLA PIPER LLP (US)

REED SMITH LLP

/s/ Daniel Prieto

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Dated: June 21, 2019
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